

**PHILADELPHIA YEARLY MEETING
OF THE RELIGIOUS SOCIETY OF
FRIENDS AND AFFILIATE**

Consolidated Financial Statements

September 30, 2018 and 2017

**Kreischer
Miller**

PEOPLE | IDEAS | SOLUTIONS

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**
September 30, 2018 and 2017

CONTENTS

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

Consolidated Statements of Financial Position	1-2
Consolidated Statements of Activities	3-4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6-24

SUPPLEMENTARY INFORMATION

Schedule I - Cash Flows by Restrictions	25-26
Schedule II - Temporarily Restricted Revenue and Net Assets Released from Restrictions	27
Schedule III - Schedules of Financial Position - Arch Street Meeting House Preservation Trust	28-29
Schedule IV - Schedules of Activities - Arch Street Meeting House Preservation Trust	30-31

Independent Auditors' Report

The Audit Committee
Philadelphia Yearly Meeting of the
Religious Society of Friends and Affiliate
Philadelphia, Pennsylvania

We have audited the accompanying consolidated financial statements of Philadelphia Yearly Meeting of the Religious Society of Friends and Affiliate, which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Philadelphia Yearly Meeting of the Religious Society of Friends and Affiliate as of September 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Krischer Miller

Horsham, Pennsylvania
December 11, 2018

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Consolidated Statements of Financial Position
September 30, 2018 and 2017**

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,312,747	\$ 1,080,785	\$ -	\$ 2,393,532
Accounts receivable:				
Meetings	73,050	-	-	73,050
Annual fund	6,185	-	-	6,185
Other	6,456	14,872	-	21,328
Mary Jeanes loans receivable	-	18,000	-	18,000
Prepaid expenses	21,273	-	-	21,273
Total current assets	1,419,711	1,113,657	-	2,533,368
Mary Jeanes loans receivable, net	-	33,989	-	33,989
Investments-PYM is the trustee	4,281,229	18,012,896	12,745,237	35,039,362
Investments-Friends Fiduciary Corporation is the trustee	7,781,138	3,754,133	7,235,788	18,771,059
Investment in Friend Center Corporation	2,831,000	-	-	2,831,000
Beneficial interests in trust agreements:				
Charitable remainder unitrust	-	418,600	-	418,600
Other various trusts	-	4,722,436	5,048,017	9,770,453
Property and equipment, net	1,015,299	-	-	1,015,299
	<u>\$ 17,328,377</u>	<u>\$ 28,055,711</u>	<u>\$ 25,029,042</u>	<u>\$ 70,413,130</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 294,240	\$ -	\$ -	\$ 294,240
Current portion of contribution payable to Friends Center Corporation	18,125	-	-	18,125
Deferred revenue	7,869	-	-	7,869
Funds held for others	399,096	-	-	399,096
Total current liabilities	719,330	-	-	719,330
Contribution payable to Friends Center Corporation, long-term	128,039	-	-	128,039
Postretirement health benefit obligation	270,037	-	-	270,037
Pension benefit obligation	354,193	-	-	354,193
Total liabilities	<u>1,471,599</u>	<u>-</u>	<u>-</u>	<u>1,471,599</u>
Net assets:				
Unrestricted				
Operating	9,931,779	-	-	9,931,779
Designated:				
Operating reserves	1,299,399	-	-	1,299,399
Capital reserves	779,301	-	-	779,301
Net investment in property and equipment	3,846,299	-	-	3,846,299
Temporarily restricted	-	28,055,711	-	28,055,711
Permanently restricted	-	-	25,029,042	25,029,042
Total net assets	<u>15,856,778</u>	<u>28,055,711</u>	<u>25,029,042</u>	<u>68,941,531</u>
Total liabilities and net assets	<u>\$ 17,328,377</u>	<u>\$ 28,055,711</u>	<u>\$ 25,029,042</u>	<u>\$ 70,413,130</u>

See accompanying notes to consolidated financial statements.

2017			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,050,750	\$ 682,696	\$ -	\$ 1,733,446
49,800	-	-	49,800
15,355	-	-	15,355
152,488	12,917	89,189	254,594
-	30,000	-	30,000
62,217	-	-	62,217
1,330,610	725,613	89,189	2,145,412
-	68,995	-	68,995
3,904,246	17,281,651	12,494,442	33,680,339
7,446,374	3,565,172	6,924,486	17,936,032
2,933,000	-	-	2,933,000
-	385,637	-	385,637
-	4,483,159	4,916,866	9,400,025
1,079,969	-	-	1,079,969
\$ 16,694,199	\$ 26,510,227	\$ 24,424,983	\$ 67,629,409
\$ 346,066	\$ -	\$ -	\$ 346,066
18,120	-	-	18,120
4,305	-	-	4,305
217,256	-	-	217,256
585,747	-	-	585,747
140,059	-	-	140,059
297,727	-	-	297,727
813,806	-	-	813,806
1,837,339	-	-	1,837,339
8,982,199	-	-	8,982,199
1,112,109	-	-	1,112,109
749,583	-	-	749,583
4,012,969	-	-	4,012,969
-	26,510,227	-	26,510,227
-	-	24,424,983	24,424,983
14,856,860	26,510,227	24,424,983	65,792,070
\$ 16,694,199	\$ 26,510,227	\$ 24,424,983	\$ 67,629,409

PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Consolidated Statements of Activities
Years Ended September 30, 2018 and 2017

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Changes in unrestricted net assets:				
Support and revenue:				
Support and contributions:				
Support from meetings	\$ 1,133,050	\$ -	\$ -	\$ 1,133,050
Gifts of support	23,672	205,910	-	229,582
Anna Jeanes Cremation Fund	-	-	-	-
Annual fund	311,770	-	-	311,770
Event and service fees	514,487	35,186	-	549,673
Interest and income from investments	822,059	1,027,325	-	1,849,384
Net assets released from restrictions	1,336,137	(1,336,137)	-	-
Total support and revenue	4,141,175	(67,716)	-	4,073,459
Expenses:				
Staff expenses	1,568,912	-	-	1,568,912
Volunteer expenses	14,554	-	-	14,554
Contributions to others	56,923	-	-	56,923
Events and program expense	212,083	-	-	212,083
Professional and service fees	144,721	-	-	144,721
Copying, printing and posting	45,501	-	-	45,501
Rent and utilities	312,220	-	-	312,220
Computer and office support	92,332	-	-	92,332
Insurance and maintenance	117,224	-	-	117,224
Temporary fund expenses	1,336,137	-	-	1,336,137
Depreciation	112,408	-	-	112,408
Total expenses	4,013,015	-	-	4,013,015
Change in net assets before other changes	128,160	(67,716)	-	60,444
Other changes:				
Realized and unrealized income on investments-PYM is the trustee	179,380	1,151,998	161,606	1,492,984
Realized and unrealized income on investments-Friends Fiduciary Corporation is the trustee	334,765	188,962	311,302	835,029
Change in value of investment in Friends Center Corporation	(102,000)	-	-	(102,000)
Change in value of beneficial interests in trusts held by external trustees	-	272,240	131,151	403,391
Pension fund recovery (accrual)	459,613	-	-	459,613
Loss on disposal of assets	-	-	-	-
Contribution to Burlington Quarterly Meeting	-	-	-	-
	871,758	1,613,200	604,059	3,089,017
Change in net assets	999,918	1,545,484	604,059	3,149,461
Net assets, beginning of year	14,856,860	26,510,227	24,424,983	65,792,070
Net assets, end of year	\$ 15,856,778	\$ 28,055,711	\$ 25,029,042	\$ 68,941,531

See accompanying notes to consolidated financial statements.

2017			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,193,380	\$ -	\$ -	\$ 1,193,380
326,789	142,106	89,189	558,084
-	197,259	20,000	217,259
341,603	-	-	341,603
534,429	19,487	-	553,916
820,266	1,025,481	-	1,845,747
1,204,164	(1,204,164)	-	-
4,420,631	180,169	109,189	4,709,989
1,655,377	-	-	1,655,377
13,818	-	-	13,818
53,814	-	-	53,814
251,527	-	-	251,527
118,842	-	-	118,842
43,207	-	-	43,207
317,402	-	-	317,402
94,107	-	-	94,107
183,678	-	-	183,678
1,204,164	-	-	1,204,164
180,043	-	-	180,043
4,115,979	-	-	4,115,979
304,652	180,169	109,189	594,010
249,364	2,024,485	4,032	2,277,881
595,139	404,065	553,427	1,552,631
(90,000)	-	-	(90,000)
-	383,052	537,583	920,635
(449,903)	-	-	(449,903)
(493,096)	-	-	(493,096)
(1,179,361)	(7,513)	(245,408)	(1,432,282)
(1,367,857)	2,804,089	849,634	2,285,866
(1,063,205)	2,984,258	958,823	2,879,876
15,920,065	23,525,969	23,466,160	62,912,194
\$ 14,856,860	\$ 26,510,227	\$ 24,424,983	\$ 65,792,070

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Consolidated Statements of Cash Flows
Years Ended September 30, 2018 and 2017**

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 3,149,461	\$ 2,879,876
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments	(1,492,984)	(2,277,881)
Realized and unrealized gain on investments-Friends Fiduciary Corporation is the trustee	(835,029)	(1,552,631)
Change in investment in Friends Center Corporation	102,000	90,000
Change in value of beneficial interests in trust agreements	(403,391)	(920,635)
Depreciation	112,408	180,043
Contribution of property and equipment to Burlington Quarterly Meeting	-	1,080,000
Loss on disposal of assets	-	493,096
(Increase) decrease in:		
Accounts receivable	219,186	(180,814)
Loans receivable	47,006	36,939
Prepaid expenses	40,944	(13,826)
Increase (decrease) in:		
Accounts payable	(51,826)	18,128
Contribution payable to Friends Center Corporation	(12,015)	(2,644)
Deferred revenue	3,564	440
Funds held for others (including Friends Pension Plan)	181,840	(45,667)
Postretirement health benefit obligation	(27,690)	(14,402)
Pension benefit obligation	(459,613)	449,903
Net cash provided by operating activities	573,861	219,925
Cash flows from investing activities:		
Proceeds from sale of property and equipment	-	10
Proceeds from sale of investments	585,851	615,730
Purchases of investments	(451,888)	(850,049)
Purchase of property and equipment	(47,738)	(49,400)
Net cash provided by (used in) investing activities	86,225	(283,709)
Net increase (decrease) in cash and cash equivalents	660,086	(63,784)
Cash and cash equivalents, beginning of year	1,733,446	1,797,230
Cash and cash equivalents, end of year	\$ 2,393,532	\$ 1,733,446

See accompanying notes to consolidated financial statements.

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(1) Organization and Operations

Philadelphia Yearly Meeting of the Religious Society of Friends (PYM), a Pennsylvania nonprofit corporation, founded in 1681, and incorporated July 1, 2002, is the overarching organizational structure and faith community for Quakers in the area of Southeastern Pennsylvania, Delaware, the Eastern Shore of Maryland and Central and Southern New Jersey. PYM as an institution exists to offer opportunities for shared worship, growth and learning, and collective action for the members of these congregations. It also provides services to those Monthly Meetings and their members, and provides avenues for the collective expression-in service and witness-of their common faith.

Arch Street Meeting House Preservation Trust (ASMHPPT) is a Pennsylvania nonprofit corporation organized in 2011, as a supporting organization to PYM in the maintenance, operation, renovation, improvement and preservation of the historic building, site and artifacts of the Arch Street Meeting House and grounds. ASMHPPT's activities include: publishing and dissemination of materials, provision of programs and education about the history and use of the historic property, the raising of funds for, and the financing of, any or all of the foregoing, and doing anything necessary or desirable to carry out the foregoing purposes. All Trustees and officers of ASMHPPT are appointed by PYM.

Collectively, PYM and ASMHPPT are referred to as the Yearly Meeting.

Burlington Meeting House, Inc. (BMH), a New Jersey nonprofit corporation, holds title to real property and improvements in Burlington, New Jersey, known as Burlington Meeting House and grounds. Under the bylaws of BMH, as in effect prior to September 17, 2017, PYM had the right to appoint the trustees and officers of BMH. By reason of such right, BMH was classified as a wholly-owned subsidiary of PYM and the assets of BMH were included in the consolidated assets of PYM. Effective September 17, 2017, PYM assigned (the Assignment) its right to appoint the trustees and officers of BMH to Burlington Quarterly Meeting (BQM) and the bylaws of BMH were amended consistent with such assignment. The Assignment was accounted for in PYM's consolidated accounts as a disposition of the assets of BMH by PYM. At the time of the Assignment, the assets of BMH had an appraised value of \$1,080,000. PYM recognized a loss of approximately \$493,000 in the disposition of assets arising from the Assignment. In connection with the Assignment, certain funds dedicated to the use, maintenance and operation of the BMH, and cash, in the amounts of \$254,000 and \$98,000, respectively, were transferred by PYM to BQM. The Assignment is recorded in the accompanying consolidated statements of activities and reflected in the accompanying consolidated statements of financial position.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements
September 30, 2018 and 2017

(1) Organization and Operations, Continued

Program Services

Program services consist of the following internal boards:

Arch Street Meeting House Preservation Trust

The Arch Street Meeting House Preservation Trust is responsible for ensuring that the programs operating out of the Arch Street Meeting House provide the best support possible for the Ministry of the Yearly Meeting in outreach to visitors and as a home for the activities of the Yearly Meeting community and Monthly Meeting of Friends of Philadelphia.

Administrative Council

The Administrative Council holds full authority and responsibility for managing the affairs of PYM except for the authority and responsibility assigned to the Quaker Life Council or reserved to Yearly Meeting in session, the yearly meeting officers, or staff.

The Administrative Council's authority and responsibility shall include, but not be limited to: property, finance, budget preparation, audit, investments, development, grant-making, personnel and periodic strategic planning. The Council may appoint and lay down its own committees as needed, assigning responsibilities, and appointing committee members who need not be members of the Administrative Council but are asked to do related work. The Council holds committees and other structures under its care accountable to their charge.

Quaker Life Council

Members of the Quaker Life Council undertake a solemn responsibility to help provide the yearly meeting community with humble leadership in Quaker faith and practice. With divine assistance and in relationship with other council members, Friends on the Quaker Life Council maintain the health and integrity of the community, spiritual depth and relationships within Philadelphia Yearly Meeting.

The Quaker Life Council oversees the programs and activities of Yearly Meeting Friends, including nurturing monthly and quarterly meetings, supporting Friends work for peace and justice, bringing members across meetings together to collaborate on projects of common interest.

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of PYM and its affiliate, ASMHPT. All significant inter-organization transactions have been eliminated in consolidation.

Basis of Presentation

The Yearly Meeting presents its consolidated financial statements in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the Yearly Meeting reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets

Unrestricted net assets are net assets that are not subject to donor imposed restrictions. Unrestricted net assets may include designated funds that can be re-designated.

Temporarily Restricted Net Assets

Temporarily restricted net assets are net assets that are subject to donor imposed restrictions or legal restrictions that will be satisfied by actions of the Yearly Meeting and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as "net assets released from restrictions."

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the nonprofit organization receiving the contribution. Generally, the donor intends for the original contribution to be held in perpetuity. The related income and/or gains are available for the Yearly Meeting's use as specified by the donor.

For permanently restricted net assets not held by a third party trustee, the original contribution is recorded as permanently restricted. The undistributed portion of income and gains (total return) is recorded as temporarily restricted. Each year, the Yearly Meeting receives a cash distribution which is determined using a spending rate as allowed by Pennsylvania law. Donor restrictions as to the use of income must also be met before funds are distributed.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies, Continued

Permanently Restricted Net Assets, Continued

Investment income earned in the current year, which is subject to donor restriction, is recorded as unrestricted to the extent the restrictions are met in the current year.

As described further below, beneficial interest in trust agreements and investments-Friends Fiduciary Corporation is the trustee, are net assets held by third party trustees. All gains and interest on beneficial interest in trust agreements and gains and interest on the permanently restricted portion of investments-Friends Fiduciary Corporation is the trustee, are recorded each year as changes to permanently restricted net assets on the consolidated statements of activities.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Yearly Meeting considers temporary cash investments and all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair value and all investments in debt securities are reported at their fair value as determined by quoted market prices, with gains and losses included in the consolidated statements of activities. Investment income is recorded as earned.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies, Continued

Fair Value Measurements of Assets and Liabilities

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America. FASB ASC 820 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories based on the inputs to their valuation techniques:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

For the years ended September 30, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Investments-Friends Fiduciary Corporation

Friends Fiduciary Corporation (FFC) is a Quaker nonprofit corporation that provides investment and trusteeship services for Friends meetings, schools and other nonprofit, tax-exempt organizations. FFC serves as the trustee and custodian for many trusts that name the Yearly Meeting as the beneficiary. The value of the trusts are equal to the fair value of the underlying assets in the trusts. These assets are invested in units of FFC's Quaker Growth and Income Fund and FFC's Short Term Investment Fund (FFC Funds) (see Note 4).

PYM approves nominees for FFC's Board of Directors. The final choice of members elected to that Board, however, is by FFC, which alone has the ultimate right of selection. Therefore, PYM does not have a controlling interest in FFC. Accordingly, FFC's assets and activity are not included in these consolidated financial statements.

Beneficial Interests in Trust Agreements

Beneficial interests in trust agreements are reported at fair value based on Yearly Meeting's share of assets held in trust by third parties other than FFC. Distributions from trusts to the Yearly Meeting are recorded as interest and income from investments on the consolidated statements of activities.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(2) Summary of Significant Accounting Policies, Continued

Beneficial Interests in Trust Agreements, Continued

During the year ended September 30, 2017, approximately \$2,900,000 of assets held under a certain beneficial interest in trust agreement became fully owned by PYM and, therefore, were transferred to Investments - PYM is the trustee on the consolidated statement of financial position.

Property and Equipment

The Yearly Meeting capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the time of donation. Depreciation is computed over the estimated useful lives of the assets on a straight-line basis.

Support and Contributions

Support and contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire within the fiscal year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires (that is when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are transferred to unrestricted net assets.

Unconditional support and contributions are recognized as revenue when the related promise to give is received. Conditional support and contributions are recognized as revenue when the conditions are satisfied.

Event and Service Fees

Event and service fees are recognized as revenue in the applicable period when the related services are rendered.

Donated Services

The Yearly Meeting administers its programs with support from donated services from a substantial number of unpaid volunteers. The value of these donated services is not reflected in these consolidated financial statements since they do not meet the criteria for recognition. Committee members and other volunteers recorded approximately 25,994 and 25,079 hours of donated services for the years ended September 30, 2018 and 2017, respectively.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(2) Summary of Significant Accounting Policies, Continued

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized on a functional basis in the following schedule. Accordingly, certain costs have been allocated among the programs and supporting services benefited as follows for the years ended September 30:

	2018	2017
Program expenses	\$ 2,863,712	\$ 3,142,289
Administrative expenses	908,615	704,394
Development expenses	240,688	269,296
	<u>\$ 4,013,015</u>	<u>\$ 4,115,979</u>

Income Taxes

PYM is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes is recorded in the accompanying consolidated financial statements. As a religious organization, PYM is not required to file a Federal Form 990 related to its tax exempt status.

ASMHPPT is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. As such, ASMHPPT will not incur any liability for federal income taxes on exempt activities; unrelated business activities were not conducted during the years ended September 30, 2018 and 2017.

ASMHPPT files Federal Form 990. With few exceptions, ASMHPPT is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years before fiscal year 2015. It is difficult to predict the final timing and resolution of any particular uncertain tax position. Management is unaware of any uncertain tax positions.

Concentrations of Risk

Financial instruments, which potentially subject the Yearly Meeting to concentrations of risk, are cash and cash equivalents, accounts receivable and investments. The Yearly Meeting maintains its cash at various high-quality financial institutions. At times, such deposits may exceed federally-insured limits. Accounts receivable consist primarily of amounts expected to be collected from Meetings and loans receivable, the composition of which is more fully described in Note 3. Yearly Meeting assesses the need for an allowance for bad debt collection based on management's judgement considering historical information.

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies, Continued

Concentrations of Risk, Continued

Investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Recent Accounting Pronouncements

Financial Statements of Not-for-Profit Entities

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*; which changes how a not-for-profit organization classifies its net assets, as well as the information it presents in consolidated financial statements and notes about its liquidity, financial performance and cash flows. The ASU requires an amended presentation and additional disclosures to help not-for-profit organizations provide more relevant information about their resources and changes in those resources. The amendments are effective for PYM's year ending September 30, 2019, with early adoption permitted. PYM has elected to forego early adoption of FASB 2016-14 for the year ended September 30, 2018.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard provides entities with a single model for use in accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance, including industry-specific revenue guidance. The core principle of the model is to recognize revenue when control of the goods or services transfers to the customer, as opposed to recognizing revenue when the risks and rewards transfer to the customer under the existing revenue guidance. The FASB has subsequently released various technical corrections and improvements to 2014-09.

On June 21, 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides guidance to not-for-profit entities as they adopt ASU 2014-09, *Revenue from Contracts with Customers*, specifically as it relates to grants, contributions and contracts. The new guidance applies to all entities that receive or make contributions, including business entities.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(2) Summary of Significant Accounting Policies, Continued

Recent Accounting Pronouncements, Continued

Revenue Recognition, Continued

Both of the revenue recognition standards are effective for PYM's fiscal year ending September 30, 2020. Early adoption is permitted. PYM is evaluating the potential impact of these ASUs on the financial statements and have elected to forgo early adoption of both ASUs for the year ended September 30, 2018.

Reclassification

Certain items in the accompanying 2017 consolidated financial statements have been reclassified to conform to the current year presentation.

Subsequent Events

The Yearly Meeting has performed an evaluation of subsequent events through December 11, 2018, which is the date the consolidated financial statements were available to be issued.

(3) Mary Jeanes Loans Receivable

The Yearly Meeting made loans to individuals for educational purposes from a fund established by a contribution from Anna T. Jeanes. This loan program was discontinued in fiscal year 2013. The loans are non-interest bearing and are expected to be collected within five years after graduation. The loans receivable balance at September 30, 2018 and 2017 of \$51,989 and \$98,995, respectively, is net of an allowance for doubtful accounts of \$125,009 and \$86,736, respectively, and a discount, calculated at 4%, of \$9,303 and \$18,252, respectively.

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(4) Assets Measured at Fair Value on a Recurring Basis

The following is a summary of assets measured at fair value on a recurring basis and the valuation inputs used to value them at September 30:

	2018			
	Total	Level 1	Level 2	Level 3
Beneficial interest in trust agreements	\$ 10,189,053	\$ -	\$ -	\$ 10,189,053
Investments measured at NAV (a)	53,810,421			
Total assets at fair value	<u>\$ 63,999,474</u>			

	2017			
	Total	Level 1	Level 2	Level 3
Beneficial interest in trust agreements	\$ 9,785,662	\$ -	\$ -	\$ 9,785,662
Investments measured at NAV (a)	51,616,371			
Total assets at fair value	<u>\$ 61,402,033</u>			

(a) PYM invests in pooled investment funds which trade at the NAV per share practical expedient of the investments. These investments are not categorized within the fair value hierarchy.

FFC's Quaker Growth and Income Fund is a co-mingled socially responsible investment fund sponsored by FFC. FFC's Quaker Growth and Income Fund's investment objective is to provide long-term total return by investing its assets in a balanced portfolio of common stock, real estate investment trusts and fixed income investments. FFC's Short Term Investment Fund is a diversified, socially responsible, fixed income investment fund sponsored by FFC and offers low volatility and a competitive return for short-term funds.

The following table summarizes investments measured at fair value based on the NAV per share as a practical expedient as of June 30, 2018 and 2017:

Investment	Fair Value at June 30,		Unfunded	Redemption	Redemption
	2018	2017	Commitments	Frequency	Notice Period
FFC's Quaker Growth and Income Fund	\$ 53,170,769	\$ 50,956,532	None	Daily	None
FFC's Short Term Investment Fund	639,652	659,839	None	Daily	None
	<u>\$ 53,810,421</u>	<u>\$ 51,616,371</u>			

There were no transfers for the year ended September 30, 2018. There was one significant transfer of approximately \$2.9 million from investment level 3 to investments measured at NAV during the year ended September 30, 2017.

The fair value of the beneficial interest in perpetual trusts is based on the fair value of the assets held by the trust as reported by the trustees.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(4) Assets Measured at Fair Value on a Recurring Basis, Continued

The changes in level 3 assets measured at fair value are summarized below:

	Beneficial Interest in Trust Agreements
Balance, September 30, 2016	\$ 11,783,474
Unrealized gain on investments included in changes in net assets	920,635
Reclassification to Investment - PYM is the trustee	(2,918,447)
Balance, September 30, 2017	9,785,662
Unrealized gain on investments included in changes in net assets	403,391
Balance, September 30, 2018	\$ 10,189,053

(5) Investment in Friends Center Corporation

Friends Center Corporation (the Center) is a nonprofit organization that was formed by an agreement among PYM and two other Quaker nonprofit organizations – American Friends Services Committee (AFSC) and Central Philadelphia Monthly Meeting (CPMM), to manage the real estate complex in Center City Philadelphia in which PYM, AFSC and CPMM are located.

PYM's investment in the Center is reported using the equity method as defined in the aforementioned agreement and is equal to a percentage of the Center's net assets. If PYM elects to withdraw from the Center, PYM would forfeit 10% of its equity investment. Management does not anticipate withdrawal over the next 12 months.

The agreement requires PYM to pay rent to the Center for the portion of the real estate complex that it occupies. Rent expense for the years ended September 30, 2018 and 2017 was \$263,387 and \$263,103, respectively.

Effective July 1, 2014, PYM is required to pay a fixed portion of the Center's debt based on occupancy ratios according to the lease agreement. The future minimum payments related to this obligation amount to \$96,323 for each of the next five years and \$1,420,759 thereafter.

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(6) Property and Equipment

Property and equipment at September 30 consist of the following:

	2018	2017
Property improvements	\$ 2,884,984	\$ 2,884,984
Equipment	219,498	171,760
	<u>3,104,482</u>	<u>3,056,744</u>
Accumulated depreciation	(2,089,183)	(1,976,775)
	<u>\$ 1,015,299</u>	<u>\$ 1,079,969</u>

Depreciation expense for the years ended September 30, 2018 and 2017 was \$112,408 and \$180,043, respectively.

(7) Contribution Payable to Friends Center Corporation

The contribution payable to the Center represents the amount that PYM has promised to pay to the Center to finance a renovation project to the real estate complex in which PYM is located (See Note 5). The contribution payable is expected to be paid as follows:

Due within one year	\$ 18,125
Due within two to five years	72,500
Due after five years	<u>86,148</u>
	176,773
Discount at 4%	<u>(30,609)</u>
	<u>\$ 146,164</u>

(8) Pooled Life Income Fund and Funds Held for Others

The Yearly Meeting manages a pooled life income fund to which donors transfer assets and name a noncharitable beneficiary to receive the income for life. The assets are recorded in investments - PYM is the trustee on the consolidated statement of financial position. Upon the death of the beneficiary, the assets are transferred to the Yearly Meeting or to other Quaker organizations as specified by the donor.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(8) Pooled Life Income Fund and Funds Held for Others, Continued

Changes in the fair value of the pooled life income fund, is determined using a discount rate of 4% and the beneficiary's estimated life expectancy, and are included in realized and unrealized income on investments – PYM is trustee in the accompanying consolidated statement of activities. At September 30, 2018 and 2017 the Yearly Meeting recorded a liability of \$226,846 and \$217,256, respectively, for the assets specified by donors to be transferred to other Quaker organizations.

The Yearly Meeting receives semi-annual distributions from FFC and annual assessments from participating employers to fund the requirements of its participation in Friends Pension Plan (see Note 10). Amounts received and not yet remitted to the Friends Pension Plan amounted to \$172,250 and \$13,896 at September 30, 2018 and 2017, respectively.

(9) Postretirement Health Benefit Obligation

The Yearly Meeting sponsors a defined benefit postretirement health insurance plan, subject to annual review by the Personnel and Finance Committees, which covers all full-time employees. To receive benefits, the participants must reach 65, have completed at least ten years of service by June 30, 2005. During the year ended June 30, 2005, Yearly Meeting amended this plan to freeze participation in the plan.

Funding for the plan is provided on a monthly basis by paying a predetermined premium per person, as established by the insurance provider up to a maximum of \$252 per month. Contributions to the plan were \$25,973 and \$26,600, respectively, for the years ended September 30, 2018 and 2017.

The postretirement benefit obligation was determined using a discount rate of 4% and 3.5% for 2018 and 2017, respectively, and a medical trend rate of 0% for 2018 and 2017.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(9) Postretirement Health Benefit Obligation, Continued

The following table sets forth the plan's status reconciled with the amount shown on the consolidated statement of financial position as of September 30:

	2018	2017
Accumulated postretirement benefit obligation, fully vested:		
Retirees	\$ 270,037	\$ 290,507
Fully eligible active participants	-	-
Other plan participants	-	-
	<u>\$ 270,037</u>	<u>\$ 290,507</u>
Plan assets at fair value	<u>\$ -</u>	<u>\$ -</u>
Accumulated postretirement obligation in excess of plan assets	\$ 270,037	\$ 290,507
Unrecognized net gain from experience different from assumed and changes in assumptions	<u>-</u>	<u>7,220</u>
Accrued postretirement benefit cost in the consolidated statement of financial position	<u>\$ 270,037</u>	<u>\$ 297,727</u>

The following table sets forth the components of the net postretirement benefit cost for the years ended September 30:

	2018	2017
Service cost	\$ -	\$ 3,501
Interest cost on accumulated postretirement benefit obligation	9,638	9,690
Amortization of gain	(7,220)	(993)
Postretirement benefit	<u>\$ 2,418</u>	<u>\$ 12,198</u>

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(9) Postretirement Health Benefit Obligation, Continued

The estimated net gain that will be amortized into net periodic postretirement benefit cost in 2019 is \$4,135.

The expected annual benefit payments for the next five years individually and the following five years in aggregate are as follows:

Year Ending September 30,	Amount
2019	\$ 32,000
2020	\$ 28,000
2021	\$ 25,000
2022	\$ 22,000
2023	\$ 19,000
2024-2028	\$ 68,000

PYM expects to contribute \$32,000 in 2019 for reimbursement of benefit payments.

(10) Pension Plan

PYM is a participant in Friends Pension Plan (the Plan) a multiple-employer, noncontributory, defined benefit pension plan covering substantially all of PYM's employees. PYM's relative position in this Plan is not readily determinable. The Plan is jointly sponsored by PYM and Friends General Conference who appoint a board to act as trustee.

Under governmental regulations, in the event of plan termination or employer withdrawal, an employer may be liable for a portion of the Plan's unfunded vested benefits. PYM does not anticipate withdrawal from the Plan, nor is PYM aware of any unexpected plan terminations.

PYM used a measurement date of January 1, for September 30, 2018 and 2017 disclosures. The following table sets forth the combined Plan's funded status as of January 1:

	2018	2017
Benefit obligation	\$ 11,914,842	\$ 11,775,056
Fair value of plan assets	11,222,597	10,102,201
Funded status	\$ (692,245)	\$ (1,672,855)

Continued...

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(10) Pension Plan, Continued

PYM has an accrued pension liability of \$354,193 and \$813,806 at September 30, 2018 and 2017, respectively. The benefit obligation at January 1, 2018 and 2017 was determined by using a discount rate of 6.50%, an annual salary increase of 3.00% and the Adjusted RP-2014 White Collar Mortality Table.

Benefits paid by the Plan were \$871,852 and \$838,867 for the years ended January 1, 2018 and 2017, respectively. Total contributions to the Plan for the years ended January 1, 2018 and 2017 were \$405,335 and \$361,983, respectively. PYM's contributions to the Plan as determined by an actuary aggregated \$213,829 and \$176,078 for years ended September 30, 2018 and 2017, respectively.

The Plan's assets at January 1, 2018 and 2017 consist of a checking account, employer contribution receivables and an investment in FFC's Quaker Growth and Income Fund. The checking account, held separately by PYM, manages funds for the Plan's short-term obligations, as described in Note 2. FFC's Quaker Growth and Income Fund's investment objective is to provide long-term total return by investing its assets in a balanced portfolio of common stock, financial trusts such as real estate investment trusts and fixed income investments.

The fair value of the Plan's assets by asset category are as follows as of January 1, 2018:

	Total	Level 1	Level 2	Level 3
Cash	\$ 74,442	\$ 74,442	\$ -	\$ -
Investments measured at NAV (a)	10,738,242			
Assets held at fair value	10,812,684			
Employer contribution receivables	409,913			
Total plan assets	<u>\$ 11,222,597</u>			

The fair value of the Plan's assets by asset category are as follows as of January 1, 2017:

	Total	Level 1	Level 2	Level 3
Cash	\$ 60,274	\$ 60,274	\$ -	\$ -
Investments measured at NAV (a)	9,679,944			
Assets held at fair value	9,740,218			
Employer contribution receivables	361,983			
Total plan assets	<u>\$ 10,102,201</u>			

(a) PYM invests in pooled investment funds which trade at the NAV per share practical expedient of the investments. These investments are not categorized within the fair value hierarchy.

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Notes to Consolidated Financial Statements
September 30, 2018 and 2017**

(10) Pension Plan, Continued

The following table summarizes investments at fair value based on the NAV per share as a practical expedient as of January 1, 2018 and 2017:

Investment	Fair Value at January 1,		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2018	2017			
FFC's Quaker Growth and Income Fund	\$ 10,738,242	\$ 9,679,944	None	Daily	None

The estimated net gain of the combined Plan that will be amortized into net periodic postretirement benefit cost in the future is \$491,800. The expected contribution to the Plan for 2018 is \$400,206, PYM's portion is estimated at \$199,717.

(11) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	2018		Total
	Temporarily Restricted Cash	Other Temporarily Restricted Assets	
Aging programs	\$ 507,660	\$ 10,874,681	\$ 11,382,341
Education programs	224,104	3,379,583	3,603,687
Purposes subject to trustee approval	-	7,153,109	7,153,109
Meeting House projects	78,295	1,575,781	1,654,076
Outreach programs	207,167	2,993,212	3,200,379
Peace programs	63,559	305,761	369,320
For future periods	-	692,799	692,799
	<u>\$ 1,080,785</u>	<u>\$ 26,974,926</u>	<u>\$ 28,055,711</u>

Continued...

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

Notes to Consolidated Financial Statements
September 30, 2018 and 2017

(11) Temporarily Restricted Net Assets, Continued

	2017		
	Temporarily Restricted Cash	Other Temporarily Restricted Assets	Total
Aging programs	\$ 148,600	\$ 10,580,413	\$ 10,729,013
Education programs	183,261	3,188,148	3,371,409
Purposes subject to trustee approval	-	6,788,364	6,788,364
Meeting House projects	115,887	1,458,204	1,574,091
Outreach programs	182,629	2,855,773	3,038,402
Peace programs	52,319	292,606	344,925
For future periods	-	664,023	664,023
	<u>\$ 682,696</u>	<u>\$ 25,827,531</u>	<u>\$ 26,510,227</u>

(12) Permanently Restricted Net Assets

Permanently restricted net assets, the income from which is available for unrestricted or temporarily restricted use of the Yearly Meeting as specified by the donor, consists of the following funds at September 30:

	2018	2017
Aging programs	\$ 13,891,763	\$ 13,603,656
Education programs	1,133,175	1,132,017
General programs	5,375,607	5,236,226
Meeting House projects	4,201,177	4,042,259
Outreach programs	368,687	355,941
Peace programs	24,639	23,579
For future periods	33,994	31,305
	<u>\$ 25,029,042</u>	<u>\$ 24,424,983</u>

PHILADELPHIA YEARLY MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Notes to Consolidated Financial Statements September 30, 2018 and 2017

(13) Endowment Funds

The Yearly Meeting accounts for its endowment funds in accordance with FASB Staff Position 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds* now incorporated in FASB ASC 958-205. The Commonwealth of Pennsylvania has not yet adopted the provisions of the UPMIFA, but the Yearly Meeting is required by FASB ASC 958-205 to disclose certain matters associated with its endowment funds. Endowment funds subject to FASB ASC 958-205 include permanently restricted net assets. Management of the Yearly Meeting does not consider any other fund, whether temporarily restricted or board designated (unrestricted) to be subject to FASB ASC 958-205.

Return Objectives and Risk Parameters

In accordance with Pennsylvania statutes, the Yearly Meeting has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The Yearly Meeting's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

Spending Policy

During the year ended September 30, 2018, the Yearly Meeting, for funds for which it is the Trustee, elected to accept FFC's default investment spending policy that calculates the amount of money annually distributed from the permanently restricted endowment fund to support various programs. FFC's current spending policy is to distribute an amount equal to 4% of a three-year average of the fair value of the endowment fund.

The changes in the endowment net assets for the years ended September 30, 2018 and 2017 are summarized in the accompanying consolidated statement of activities.

SUPPLEMENTARY INFORMATION

PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE

Cash Flows by Restrictions
Years Ended September 30, 2018 and 2017

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Cash flows from operating activities:				
Change in net assets	\$ 999,918	\$ 1,545,484	\$ 604,059	\$ 3,149,461
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Realized and unrealized gain on investments	(179,380)	(1,151,998)	(161,606)	(1,492,984)
Realized and unrealized gain on investments - Friends Fiduciary Corporation is the trustee	(334,765)	(188,962)	(311,302)	(835,029)
Change in investment in Friends Center Corporation	102,000	-	-	102,000
Change in value of beneficial interests in trust agreements	-	(272,240)	(131,151)	(403,391)
Depreciation	112,408	-	-	112,408
Contribution of property and equipment to Burlington Quarterly Meeting	-	-	-	-
Loss on disposal of assets	-	-	-	-
(Increase) decrease in:				
Accounts receivable	221,141	(1,955)	-	219,186
Loans receivable	-	47,006	-	47,006
Prepaid expenses	40,944	-	-	40,944
Increase (decrease) in:				
Accounts payable	(51,826)	-	-	(51,826)
Contribution payable to Friends Center Corporation	(12,015)	-	-	(12,015)
Deferred revenue	3,564	-	-	3,564
Funds held for others (including Friends Pension Plan)	181,840	-	-	181,840
Postretirement health benefit obligation	(27,690)	-	-	(27,690)
Pension benefit obligation	(459,613)	-	-	(459,613)
Net cash provided by (used in) operating activities	596,526	(22,665)	-	573,861
Cash flows from investing activities:				
Proceeds from sale of property and equipment	-	-	-	-
Proceeds from sale of investments	145,676	440,175	-	585,851
Purchases of investments	(432,467)	(19,421)	-	(451,888)
Purchase of property and equipment	(47,738)	-	-	(47,738)
Net cash provided by (used in) investing activities	(334,529)	420,754	-	86,225
Net increase (decrease) in cash and cash equivalents	261,997	398,089	-	660,086
Cash and cash equivalents, beginning of year	1,050,750	682,696	-	1,733,446
Cash and cash equivalents, end of year	\$ 1,312,747	\$ 1,080,785	\$ -	\$ 2,393,532

2017			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ (1,063,205)	\$ 2,984,258	\$ 958,823	\$ 2,879,876
(249,364)	(2,024,485)	(4,032)	(2,277,881)
(595,139)	(404,065)	(553,427)	(1,552,631)
90,000	-	-	90,000
-	(383,052)	(537,583)	(920,635)
180,043	-	-	180,043
1,080,000	-	-	1,080,000
493,096	-	-	493,096
(78,708)	(12,917)	(89,189)	(180,814)
-	36,939	-	36,939
(13,826)	-	-	(13,826)
18,128	-	-	18,128
(2,644)	-	-	(2,644)
440	-	-	440
(45,667)	-	-	(45,667)
(14,402)	-	-	(14,402)
449,903	-	-	449,903
248,655	196,678	(225,408)	219,925
10	-	-	10
41,602	328,720	245,408	615,730
(260,389)	(569,660)	(20,000)	(850,049)
(49,400)	-	-	(49,400)
(268,177)	(240,940)	225,408	(283,709)
(19,522)	(44,262)	-	(63,784)
1,070,272	726,958	-	1,797,230
\$ 1,050,750	\$ 682,696	\$ -	\$ 1,733,446

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Temporarily Restricted Revenue and Net Assets Released from Restrictions
Years Ended September 30, 2018 and 2017**

	2018	2017
Support and revenue:		
Gifts of support	\$ 205,910	\$ 142,106
Anna Jeanes Cremation Fund	-	197,259
Event and service fees	35,186	19,487
Interest and income from investments	1,027,325	1,025,481
	<u>1,268,421</u>	<u>1,384,333</u>
Expenses:		
Staff expenses	235,698	168,395
Contributions to others	965,329	882,096
Events and program expense	77,381	70,290
Professional and service fees	53,832	16,219
Copying, printing and posting	910	34,379
Rent and utilities	-	17,246
Computer and office support	2,987	1,768
Insurance and maintenance	-	13,771
	<u>1,336,137</u>	<u>1,204,164</u>
Change in net assets before other changes	<u>\$ (67,716)</u>	<u>\$ 180,169</u>

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Schedules of Financial Position - Arch Street Meeting House Preservation Trust
September 30, 2018 and 2017**

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Current assets:				
Cash	\$ -	\$ 4,338	\$ -	\$ 4,338
Due from affiliate	-	22,219	-	22,219
Investments-PYM is the trustee	-	45,109	31,179	76,288
	<u>\$ -</u>	<u>\$ 71,666</u>	<u>\$ 31,179</u>	<u>\$ 102,845</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Due to affiliate	\$ -	\$ -	\$ -	\$ -
Net assets:				
Temporarily restricted	-	71,666	-	71,666
Permanently restricted	-	-	31,179	31,179
Total net assets	<u>-</u>	<u>71,666</u>	<u>31,179</u>	<u>102,845</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 71,666</u>	<u>\$ 31,179</u>	<u>\$ 102,845</u>

2017				
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
\$ -	\$ 38,867	\$ -	\$ 38,867	
-	-	-	-	
-	39,300	31,179	70,479	
\$ -	\$ 78,167	\$ 31,179	\$ 109,346	
\$ -	\$ 16,412	\$ -	\$ 16,412	
-	61,755	-	61,755	
-	-	31,179	31,179	
-	61,755	31,179	92,934	
\$ -	\$ 78,167	\$ 31,179	\$ 109,346	

**PHILADELPHIA YEARLY MEETING OF
THE RELIGIOUS SOCIETY OF FRIENDS AND AFFILIATE**

**Schedules of Activities - Arch Street Meeting House Preservation Trust
Years Ended September 30, 2018 and 2017**

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in unrestricted net assets:				
Support and revenue:				
Support and contributions				
Gifts of support	\$ -	\$ 86,922	\$ -	86,922
Event and service fees	-	-	-	-
Interest and income from investments	-	2,626	-	2,626
Net assets released from restrictions	82,830	(82,830)	-	-
Total support and revenue	82,830	6,718	-	89,548
Expenses:				
Staff expense	47,332	-	-	47,332
Events and program expense	4,494	-	-	4,494
Professional and service fees	30,093	-	-	30,093
Computer and office support	911	-	-	911
Total expenses	82,830	-	-	82,830
Change in net assets before other changes	-	6,718	-	6,718
Other changes:				
Realized and unrealized gain on investments-PYM is the trustee	-	3,193	-	3,193
	-	3,193	-	3,193
Change in net assets	-	9,911	-	9,911
Net assets, beginning of year	-	61,755	31,179	92,934
Net assets, end of year	\$ -	\$ 71,666	\$ 31,179	\$ 102,845

2017			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ -	\$ 46,916	\$ -	\$ 46,916
-	3,940	-	3,940
-	2,401	-	2,401
78,409	(78,409)	-	-
78,409	(25,152)	-	53,257
52,267	-	-	52,267
1,664	-	-	1,664
24,084	-	-	24,084
394	-	-	394
78,409	-	-	78,409
-	(25,152)	-	(25,152)
-	5,298	-	5,298
-	5,298	-	5,298
-	(19,854)	-	(19,854)
-	81,609	31,179	112,788
\$ -	\$ 61,755	\$ 31,179	\$ 92,934